

# Management response to the Midterm Review of (title of the MTR)<sup>1</sup>

Project Title: *Taking Deforestation out of Commodity Production – GGP Production Project*

Project PIMS #: 5664

GEF Project ID (PMIS) #: 9180

Midterm Review Mission Completion Date: 11/11/2019

Date of Issue of Management Response: 14/11/2019

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## Context, background and findings

1. The GGP Production project implemented globally by UNDP works to improve the enabling environment for sustainable commodity production through dialogue platforms, policy reform, land use planning, and farmer training and support. It focuses on oil palm in Indonesia and Liberia, as well as on beef in Paraguay. The GGP's production project has as overarching objective to 'encourage sustainable practices for oil palm and beef production while conserving forests and safeguarding the rights of smallholder farmers and forest-dependent communities.
2. The MTR team believed that the project has progressed well towards its target in all three countries, although Indonesia is more advanced than Liberia and Paraguay due partially to a later start of the project in Liberia and Paraguay. The most significant success within the Production project is the trust and relation building through the platform and through the work of the project team, enabling the basis for systemic change.
3. It has identified findings and recommendations as detailed below.
4. The Project Team deems most of the recommendations valid and relevant - as detailed below - and will endeavour to implement them in 2020 and 2021.

## Recommendations and management response

<b>Midterm Review recommendation 1.</b> High level meetings at Minister level in Indonesia and Paraguay to demonstrate the benefits of the project.  Project progress and benefits for the country of the potential transformational change linked to the project should be presented at the highest possible level in all the key Ministries involved in the project. <ul style="list-style-type: none"><li>• A specific strategy on key messages has to be prepared for each country to ensure the efficiency of the meeting</li><li>• In Indonesia, meeting is a priority given the current slow process and the final step needed for legalization</li><li>• In Paraguay, meetings should highlight the dual benefit for Paraguay to have a sustainable beef sector as well as to preserve its current forest. Promote the Value added of including the Ministry of Finance as part of the National Platform, and of the space of dialogue provided by the Platform</li></ul>			
<b>Management response:</b> Agree with the recommendation			
<b>Key action(s)</b>	<b>Time frame</b>		<b>Tracking</b>

<sup>1</sup> This template is in alignment with the Management Response Template for UNDP project-level evaluations in the Evaluation Resource Centre.

		Responsible unit(s)	Comments	Status
1.1	Project progress and benefits for the country of the potential transformational change linked to the project should be presented at the highest possible level in all the key Ministries involved in the project. A specific strategy on key messages has to be prepared to ensure the efficiency of the meeting	Indonesia Production Project Team		
1.2	Project progress and benefits for the country of the potential transformational change linked to the project should be presented at the highest possible level in all the key Ministries involved in the project. A specific strategy on key messages has to be prepared to ensure the efficiency of the meeting	Paraguay Production Project Team		

<b>Midterm Review recommendation 2.</b> Secure financial sustainability of Platform and implementation of its action plan. Define and implement strategy to secure the financial sustainability of all platforms in each pilot country. It may rely on a mix of sources (e.g. ensuring costing is carried out, and costs are included in government budgets at all relevant levels, exploring public-private partnerships for long term solutions, or donor funding for medium term).				
<b>Management response:</b> Agree with the recommendation				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
2.1 Define a strategy for Platforms and Action Plans Financial Sustainability	By end of 2019 (Indonesia)	Indonesia Project Team		
	By Q2 2020 (Liberia)	Liberia Project Team		
	By Q1 2020 (Paraguay)	Paraguay Project Team		
2.2 Implement the strategy	By end of 2021	Indonesia Project Team		
		Liberia Project Team		
		Paraguay Project Team		

<b>Midterm Review recommendation 3.</b> Ensure Action Plans have a clear monitoring framework Clear monitoring frameworks with indicators and targets should be developed for each action plan to facilitate monitoring of their implementation.				
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<b>Management response:</b> Agree with the recommendation				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
3.1 Define monitoring frameworks for each action plan developed	By Q2 2020 (Indonesia)	Indonesia Project Team		
	By Q3 2020 (Liberia)	Liberia Project Team		
	By Q1 2020 (Paraguay)	Paraguay Project Team		

<b>Midterm Review recommendation 4.</b> Strengthen the corporate engagement Designing a coherent strategy, building on the concept of Value Beyond Value Chain, would enable to foster the systemic change required. This should also be coordinated with the other child projects who have also corporate engagement.				
<b>Management response:</b> Agree with the recommendation				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
1.1 Design a strategy for corporate engagement in support of the national and/or subnational action plans in coordination with other child projects, as relevant	By Q2 2020 (Indonesia)	Supported by Senior Partnership Advisor Indonesia Project Team		
	By Q3 2020 (Liberia)	Liberia Project Team		
	By Q1 2020 (Paraguay)	Paraguay Project Team		
4.2 Implement the strategy for corporate engagement in coordination with other child projects	By end of 2020	Indonesia Project Team Liberia Project Team Paraguay Project Team Supported by Senior Partnership Advisor		

**Midterm Review recommendation 5.** Better exploit the Power of the Platforms

Better use of platform for multi-stakeholder dialogue to ensure a participative process for policy reform, farmers system support and land use planning:

- Identify in each pilot country areas when dialogue through platform can be extended to better leverage some of the project work on these themes.
- Given the positive results from the dialogue and collaboration held in Platform for systemic change, explore how the government and private sector themselves could communicate on the results to further support the engagement of stakeholders and demonstrate how certain activities (such as policy reform) are critical for the process success, as well as better understand their motivation. Lessons from this extended use can provide input to further refine the concept of Multi-stakeholder Collaboration for systemic change.

**Management response:** Agree with the recommendation

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
1.1 Identify in each pilot country areas when dialogue through platform can be extended to work on policy reforms, farmer support system and land use planning, and derive key action points	Q1 2020	Indonesia Project Team Liberia Project Team Paraguay Project Team		
1.2 Implement the action points identified above	By end of 2020	Indonesia Project Team Liberia Project Team Paraguay Project Team		

**Midterm Review recommendation 6.** Explore Producer Incentives for voluntary forest conservation  
In Paraguay, the legislation enables to deforest up to 75 %. It is therefore critical to explore the potential of financial incentives to conserve biodiversity and forests above legal requirements through financing mechanism linking to REDD+.

**Management response:** Agree with the recommendation

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
6.1 Explore potential financial incentives to conserve biodiversity and forests beyond legal requirements	Q1 2020	Paraguay Project Team		
6.2 Put plan in place for implementing financial incentives	Q1 2020	Paraguay Project Team		
6.3 Implement the plan	By end of 2020	Paraguay Project Team		

**Midterm Review recommendation 7.** Country Project efficiency

In each country office, there are some areas to be considered for better efficiency:

- In Indonesia, teams work in silos, there should be more coordination among the Platform work and the work at Landscape level.
- In Indonesia, continue to leverage the power of the other child projects to support the work, as much as possible. More sharing on the corporate engagement work could be useful.
- In Liberia, explore if the root cause of the Sime Darby divestment and potentially other divestments is the lack of a financially viable outgrower model, or other factors. Support the country accordingly.
- In Paraguay, the platform coordination work is shared with the BAPAA project which will end in June 2020. Securing funding to continue to benefit from the expertise of the Platform team (coordinator, beef specialist) is therefore crucial.
- In Paraguay, the budget should be revised as there were some mistakes at project design.
- Paraguay Recommendation is to explore the benefits and costs to implement the Systems approach in order to have a comprehensive approach for a sustainable beef sector with reduced deforestation

**Management response:** Agree with the recommendation

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
7.1 SPOI team to continue with joint planning and ensure joint at least monthly technical meetings between the Platform and Landscape teams	On Going from now until the end of 2021	Indonesia Project Team		
7.2 In Indonesia, continue to leverage the power of the other child projects to support the work, as much as possible, including more sharing on corporate engagement, through yearly integration workshop by end of Q1 and quarterly monitoring of actions taken	On Going from now until the end of 2021	Indonesia Project Team		
7.3 In Liberia, understand the root cause of Sime Darby Divestment, and propose what UNDP can do on the policy side, beyond what it is already doing, to avoid more divestments	Q1 2020	Liberia Project Team		
7.4 In Paraguay, secure funding for the BAAPA platform team beyond June 2020	Q1 2020	Paraguay Project Team		
7.5 In Paraguay, carry-out a budget revision to correct mistakes made in the design phase	By January 2020	Paraguay Project Team		
7.6 In Paraguay, explore the costs and benefits to implement a systems approach in order to have a comprehensive approach for a sustainable beef sector with reduced deforestation	Q1 2020	Paraguay Project Team with support from A&L Team		

<b>Midterm Review recommendation 8.</b> Paraguay: strategy for a common vision on sustainable beef Ensure discussion in the National Platform leads to agreement on a common vision of "sustainable beef production". Systems approaches are often very valuable for getting collective agreement over sustainable beef production.				
<b>Management response:</b>				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
8.1 Agree on common vision of sustainable beef production at national level	2020	Paraguay Project Team		

<b>Midterm Review recommendation 9.</b> Obtain a 6 months no cost extension for the Production Project				
<b>Management response:</b> Agree with the recommendation				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
9.1 Get approval from Project Board		GGP Production PMU	Project Board agreed in June 2019	Completed
9.2 Get approval from UNDP GEF	By October 2020	GGP Production PMU		

<b>Midterm Review recommendation 10.</b> Refine the Theory of Change for sustainable production The Theory of Change of the Production project is around collaboration and coordination, collective alignment, investment and vision, rights issues and incentives for change, according to the Prodoc. The project will provide a critical service to the field of sustainable production if it could learn better how its Theory of Change is working or not. This would also instruct the landscape Analysis tool.				
<b>Management response:</b> This is exactly what is being done through the Landscape Analysis Tool that CI is working on. No action is required.				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
10.1				